



N A R U C
National Association of Regulatory Utility Commissioners

June 3, 2010

The Honorable Steven Chu
Secretary of Energy
U. S. Department of Energy
Forrestal Building 7A-257
1000 Independence Ave. S.W.
Washington, D.C. 20585

RE: Audit of the Nuclear Waste Fund

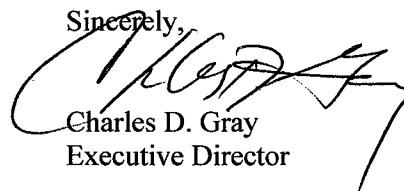
Dear Secretary Chu:

The National Association of Regulatory Utility Commissioners (NARUC) intends to be actively engaged with the consideration of the Blue Ribbon Commission on America's Nuclear Future (BRC) of a new strategy for used nuclear fuel management. We were pleased to be invited to give testimony and discuss our views before the Commission on May 25. As you might expect, we gave special emphasis to the need for fundamental reform of how the Nuclear Waste Fund is managed including the restrictions on appropriations. Our witness tried to convey our understanding of what becomes of the revenue that is surplus beyond the annual appropriations for the radioactive waste management program, but there are few outside of government who have a full understanding of that rather opaque situation. We recommended the BRC form a subcommittee to delve into the financing needed to support whatever waste management strategy the Commission will recommend.

We receive and review the monthly Summary of Program Financial & Budget Information published by OCRWM, but have never understood how the investment returns fluctuate from year to year (e.g. FY 2002, 3 and 4 and FY) but do note that the investment returns have exceeded total fee revenue for the past three years. We expressed the need for caution in assuming that the \$24 billion reported to be the balance in the Nuclear Waste Fund is available to serve as a funding base for the strategy the BRC may recommend.

In our view, it would be useful for the BRC and stakeholders to periodically review an independent audit of the Nuclear Waste Fund. Importantly, Sec. 304 (d) of the NWPA directs the Comptroller General to conduct such an annual audit of OCRWM. We are not sure if such audits are conducted or whether the NWF is audited or not. We plan to recommend that the BRC call for public access on the Nuclear Waste Fund be included in the Commission's recommendations. Could you please provide a copy of the most recent audit of the Fund or advise if none is available?

Sincerely,



Charles D. Gray
Executive Director